

Message Text

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E.O. 11652: GDS

TAGS: ELAB, HU

SUBJECT: CONVERSATION WITH POLITBURO MEMBER AND TRADE
UNION SECRETARY-GENERAL GASPAR.

1. I MET LATE LAST WEEK WITH SANDOR GASPAR, POLITBURO MEMBER AND TRADE UNION SECY GENERAL. A FULL REPORT OF CONVERSATION IS BEING SENT SEPTEL. DURING ONE AND ONE HALF HOUR CONVERSATION, WE COVERED THE NEW ECONOMIC MECHANISM (NEM), HIS CALL FOR INDUSTRIAL DEMOCRACY, ROLE OF TRADE UNIONS IN HUNGARY, AND EAST-WEST TRADE UNION CONTACTS. IN THIS TEL, I COVER ONLY THE PRINCIPAL POINTS OF INTEREST.

2. EARLY IN CONVERSATION I IMPLIED THAT ALTHOUGH GASPAR HAD RXPRESSED SUPPORT OF THE NEM, MANY MEASURES HE WAS ADVOCATING SEEMED TO RISK WEAKENING ITS MAIN THRUST. TO THIS GASPAR REITERATED HIS BACKING OF NEM AND SAID ITS PRINCIPAL DIRECTIONS WOULD NOT BE CHANGED. AT THE SAME TIME HE DEFENDED GOVERNMENT-DIRECTED WAGE INCREASES AND GOVT SUPPORT FOR LESS EFFICIENT INDUSTRIES AS NECESSARY TO INSURE GREATER JUSTICE FOR THE WORKERS AND A SMOOTH TRANSITION INTO A MORE EFFICIENT ECONOMY. HE SAID CENTRALLY DIRECTED WAGE INCREASES WOULD ALSO BE MADE IN THE FUTURE.

3. ON PLANT DEMOCRACY, GASPAR'S REMARKS INDICATED THAT A MUCH STRONGER WORKER RESTRAINT VIS-A-VIS INDUSTRIAL
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MANAGERS WAS PLANNED THAN WE HAD ANTICIPATED. SPECIFICALLY

THAT TRADE UNION COUNCILS IN INDIVIDUAL PLANTS WOULD BE GIVEN POWER ANNUALLY TO RECOMMEND TO THE APPROPRIATE GOVERNMENTAL MINISTRY WHETHER A PLANT MANAGER SHOULD BE RETAINED OR FIRED AS WELL AS A VOICE IN COMMENTING ON APPOINTMENTS OF NEW MANAGERS.

4. ON GENERAL DIRECTION OF THE HUNGARIAN ECONOMY HE SAID (IN RESPONSE TO MY QUESTION) THAT THEY HOPED TO DO A BETTER JOB THAN YUGOSLAVIA HAD. MAINTAINING THAT YUGOSLAVIA SIMPLY CLOSED DOWN INEFFICIENT FACTORIES AND THAT THE 1.5 MILLION YUGOSLAVS WORKING IN WEST RESULTED FROM THIS, GASPAS SAID ECONOMIC CHANGES IN HUNGARY WOULD BE MADE WITH MORE SOCIAL RESPONSIBILITY. THEY WOULD CONTINUE TO PHASE OUT LESS EFFICIENT INDUSTRIES BUT ONLY AS GOVT CREATED BETTER WORK OPPORTUNITIES.

5. GASPAS INSISTED THAT, WHEREAS 15 YEARS AGO UNIONS IN HUNGARY WERE SIMPLY AN APPENDAGE OF THE PARTY, SITUATION HAS CHANGED AND THAT THEY NOW HAVE A STRONG, DISTINCT, AND ALMOST DECISIVE VOICE IN PARTY AND GOVT DECISIONS. HE BACKED THIS BY CITING FACT THAT HE SITS IN ALL THREE CENTRAL BODIES IN HUNGARY (POLITBURO, PRESIDENTIAL COUNCIL AND COUNCIL OF MINISTERS). WHEN I SAID THAT MANY PEOPLE WOULD REGARD HIS ROLE MORE AS ONE OF ASSURING PARTY CONTROL OVER THE TRADE UNION MOVEMENT, GASPAS VIGOROUSLY DENIED THIS, SAYING HE HAD NOT HAD A PARTY INSTRUCTION ISSUED TO HIM ON TRADE UNION MOVEMENT (SINCE 1956) AND DID NOT EXPECT TO GET ANY. HE SAID WITH A SMILE THAT HE HAD TO BE HONEST AND SAY HE WAS SPEAKING ONLY FOR HUNGARY; HE COULD NOT SAY THIS WAS THE CASE IN ALL "SOCIALIST" COUNTRIES.

6. GASPAS REITERATED HIS DESIRE FOR EXPANDED EAST-WEST TRADE UNION CONTACTS. WHEN I REVIEWED AFL-CIO OPPOSITION TO THE RECENT EAST-WEST TRADE UNION MEETING AND TOLD HIM THERE WAS CONTINUED SKEPTICISM IN US ABOUT THE ROLE OF HUNGARIAN TRADE UNIONS, GASPAS SAID HE WAS WELL AWARE OF AFL-CIO OPPOSITION AND HAD COPIES OF THEIR VARIOUS COMMUNICATIONS. IT WAS TRUE THAT EASTERN EUROPEAN TRADE UNIONS HAD IN THE PAST BEEN TOO SUBSERVIENT TO COLLECTIVE INTERESTS IN COMPARISON TO SPECIFIC WORKER INTERESTS, BUT LIMITED OFFICIAL USE

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THIS HAD CHANGED IN HUNGARY. US TRADE UNIONS WOULD IN TIME COME TO RECOGNIZE THIS. ON OTHER HAND, HE THOUGHT THAT WHILE WESTERN TRADE UNIONS HAD IN PAST BEEN TOO MUCH CONCERNED WITH THE NARROW WORKERS' INTERESTS THEY WERE BEGINNING TO BE MORE INVOLVED IN SOCIETAL QUESTIONS.

7. COMMENT: GASPAS OBVIOUSLY WIELDS CONSIDERABLE INFLUENCE IN THE PARTY LEADERSHIP. AMONG THE FEW HUNGARIANS WHO

WILL DISCUSS SUCH QUESTIONS WITH US HE IS NOT MENTIONED AS A LIKELY SUCCESSOR TO KADAR, ALTHOUGH HE IS RECONGIZED AS HAVING AN IMPORTANT INFLUENCE. CERTAINLY GASPAR'S ROLE ON BEHALF OF THE INDUSTRIAL WORKER IN STATE ENTERPRISES HAS BEEN NOTABLY INFLUENTIAL IN LAST COUPLE OF YEARS. IF TO THE STATE-DIRECTED WAGE INCREASES OF LAST TWO YEARS HE NOW ADDS A SIGNIFICANT UNION ROLE IN MONITORING PLANT MANAGERS, HE WILL HAVE DEMONSTRATED FURTHER INFLUENCE. SUCH ANGES WEAKEN THE PHILOSOPHICAL PURPOSE OF NEM TO DIVERSIFY DECISION-MAKING RESPONSIBILITY TO INDIVIDUAL INDUSTRY AND COMPANY DIRECTOR LEVELS. WHILE GASPAR IS OBVIOUSLY MOE RESTRICTIVE ON SUCH MATTERS THAN PEOPLE LIKE DEPUTY PRIME MINISTERS TIMAR AND HUSZAR, MY ESTIMATE FROM CONVERSATIONS, OTHR EMBASSY CONTACTS AND WHAT GASPAR HAS SAID PUBLICLY IS THAT HE IS NEVETHELESS SINCERE IN HIS STATEMENTS OF BASIC SUPPORT FOR NEM. IT WAS ALSO CLEAR THAT HE DOES CONCEIVE OF TRADE UNIONS BOTH AS HAVING THEIR OWN SPECIAL INTERESTS AND AS HAVING POWERFUL ROLE IN HUNGARY NOT COTERMINOUS WITH THAT OF THE PARTY.

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